FITLIFE BRANDS, INC.
Form 10-Q
November 14, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT

For the transition period from N/A to N/A

Commission File No. 000-52369

FITLIFE BRANDS, INC.
(Name of small business issuer as specified in its charter)

Nevada	20-3464383
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

5214 S. 136th Street, Omaha, NE 68137
(Address of principal executive offices)

(402) 884-1894
(Issuer’s telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non–Accelerated filer	Small reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b–2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 13, 2017
Common stock, $0.01 par value	10,623,522

FITLIFE BRANDS, INC.
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FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act.

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three and nine months ended September 30, 2017 are not necessarily indicative of the results that can be expected for the year ending December 31, 2017.

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FITLIFE BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
ASSETS:	September 30,	December 31,
	2017	2016
CURRENT ASSETS		
Cash	$1,104,872	$1,293,041
Accounts receivable, net	3,380,984	2,792,649
Security deposits	24,956	24,956
Inventory	2,869,383	3,756,716
Note receivable, current portion	48,727	2,782
Prepaid income tax	120,000	120,000
Prepaid expenses and other current assets	184,958	136,014
Total current assets	7,733,880	8,126,158
PROPERTY AND EQUIPMENT, net	145,910	171,004
Note receivable, net of current portion	-	52,696
Deferred taxes	689,000	689,000
Intangibles assets, net	6,212,193	6,507,505
TOTAL ASSETS	$14,780,983	$15,546,363
LIABILITIES AND STOCKHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Accounts payable	$2,476,417	$1,596,748
Accrued expenses and other liabilities	590,756	539,765
Line of credit	1,950,000	1,950,000
Term loan agreement, current portion	506,889	544,825
Notes payable	4,131	12,700
Total current liabilities	5,528,193	4,644,038
LONG-TERM DEBT, net of current portion	-	369,177
TOTAL LIABILITIES	5,528,193	5,013,215

CONTINGENCIES AND COMMITMENTS	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value, 10,000,000 shares authorized as of September 30, 2017 and December 31, 2016:		
Preferred stock Series A; 10,000,000 shares authorized; no shares issued and outstanding as of September 30, 2017 and December 31, 2016	-	-
Preferred stock Series B; 1,000 shares authorized; no shares issued and outstanding as of September 30, 2017 and December 31, 2016	-	-
Preferred stock Series C; 500 shares authorized; no shares issued and outstanding as of September 30, 2017 and December 31, 2016	-	-
Common stock, $.01 par value, 150,000,000 shares authorized; 10,623,533 and 10,483,389 issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	106,235	104,495
Subscribed common stock	-	339
Treasury stock	-	(44,416)
Additional paid-in capital	30,988,947	30,919,289
Accumulated deficit	(21,842,392)	(20,446,559)
Total stockholders' equity	$9,252,790	$10,533,148
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$14,780,983	$15,546,363

The accompanying notes are an integral part of these condensed consolidated financial statements

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FITLIFE BRANDS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

	(Unaudited) Three Months Ended September 30		(Unaudited) Nine Months Ended September 30	
	2017	2016	2017	2016
Revenue	$4,025,580	$5,340,616	$14,637,273	$21,615,605
Cost of Goods Sold	2,550,760	3,353,224	9,718,670	12,469,081
Gross Profit	1,474,820	1,987,392	4,918,603	9,146,524
OPERATING EXPENSES:				
General and administrative	1,030,215	1,131,692	3,200,218	3,854,128
Selling and marketing	828,829	1,088,400	2,689,587	3,138,323
Depreciation and amortization	98,917	125,751	335,566	376,502
Total operating expenses	1,957,961	2,345,843	6,225,371	7,368,953
OPERATING INCOME (LOSS)	(483,141)	(358,451)	(1,306,768)	1,777,571
OTHER (INCOME) AND EXPENSES				
Interest expense	28,243	27,417	83,920	84,016
Other expense (income)	-	(150)	5,145	(2,917)
Total other (income) expense	28,243	27,267	89,065	81,099
INCOME TAXES (BENEFIT)	-	(25,000)	-	164,000
NET INCOME (LOSS)	$(511,384)	$(360,718)	$(1,395,833)	$1,532,472
NET INCOME (LOSS) PER SHARE:				
Basic	$(0.05)	$(0.03)	$(0.13)	$0.15
Diluted	$(0.05)	$(0.03)	$(0.13)	$0.13

Basic	10,537,805	10,446,954	10,488,135	10,413,703
Diluted	10,537,805	10,446,954	10,488,135	11,515,169

The accompanying notes are an integral part of these condensed consolidated financial statements

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FITLIFE BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

	(Unaudited)	
	2017	2016
Net income (loss)	$(1,395,833)	$1,532,472
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	335,566	376,502
Common stock issued for services	82,001	105,501
Warrants and options issued for services	33,474	45,028
Loss on disposal of property and equipment	5,145	-
Changes in operating assets and liabilities:		
Accounts receivable	(588,335)	(1,369,673)
Inventory	887,333	357,326
Deferred tax asset	-	123,879
Prepaid income tax	-	151,000
Prepaid expenses	(48,944)	145,167
Note receivable	6,751	9,985
Accounts payable	879,669	(666,806)
Accrued liabilities	50,991	(369,941)
Litigation reserve	-	(95,775)
Income tax payable	-	13,000
Net cash provided by operating activities	247,818	357,665
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(20,305)	(21,619)
Long-term investment	-	2,027
Net cash used in investing activities	(20,305)	(19,592)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from draw down on credit line	-	520,000
Payments for redemption of preferred stock	-	-
Repayments of note payable	(415,682)	(404,261)
Net cash provided by (used in) financing activities	(415,682)	115,739
INCREASE (DECREASE) IN CASH	(188,169)	453,812
CASH, BEGINNING OF PERIOD	1,293,041	1,532,550
CASH, END OF PERIOD	$1,104,872	$1,986,362

Supplemental disclosure operating activities

Cash paid for interest	$83,920	$84,016

The accompanying notes are an integral part of these condensed consolidated financial statements

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FITLIFE BRANDS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

	Common Stock		Subscribed Common	Treasury	Additional Paid-in	Accumulated	
	Shares	Amount	Stock	Stock	Capital	Deficit	Total
DECEMBER 31, 2016	10,483,389	$104,495	$339	$(44,416)	$30,919,289	$(20,446,559)	$10,533,148
Common stock issued for services	182,064	1,820			80,180		82,001
Cancellation of treasury stock	(41,920)	(419)		44,416	(43,997)		-
Issuance of subscribed common stock		339	(339)				-
Fair value of options issued for services					33,474		33,474
Net loss						(1,395,833)	(1,395,833)
SEPTEMBER 30, 2017	10,623,533	$106,235	$-	$-	$30,988,947	$(21,842,392)	$9,252,790

The accompanying notes are an integral part of these condensed consolidated financial statements

FITLIFE BRANDS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

NOTE 1 - DESCRIPTION OF BUSINESS

Summary

FitLife Brands, Inc. (the “Company”) is a national provider of innovative and proprietary nutritional supplements for health-conscious consumers marketed under the brand names NDS Nutrition Products™ (“NDS”) (www.ndsnutrition.com), PMD™ (www.pmdsports.com), SirenLabs™ (www.sirenlabs.com), CoreActive™ (www.coreactivenutrition.com), and Metis Nutrition™ (www.metisnutrition.com) (together, “NDS Products”). With the consummation of the acquisition of iSatori, Inc. (“iSatori”) on October 1, 2015, the Company added several brands to its product portfolio, including iSatori (www.isatori.com), BioGenetic Laboratories, and Energize (together, “iSatori Products”). The NDS Products are distributed principally through franchised General Nutrition Centers, Inc. (“GNC”) stores located both domestically and internationally, and, with the addition of Metis Nutrition, through corporate GNC stores in the United States.   The iSatori Products are sold through more than 25,000 retail locations, which include specialty, mass, and online.

The Company was incorporated in the State of Nevada on July 26, 2005. In October 2008, the Company acquired the assets of NDS Nutritional Products, Inc., a Nebraska corporation, and moved those assets into its wholly owned subsidiary NDS Nutrition Products, Inc., a Florida corporation (“NDS”). The Company’s NDS Products are sold through NDS and the iSatori Products are sold through iSatori, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, which the Company acquired in October 2015.

The Company is headquartered in Omaha, Nebraska and maintains an office in Golden, Colorado. For more information on the Company, please go to http://www.fitlifebrands.com. The Company’s common stock currently trades under the symbol FTLF on the OTC:PINK market.

NOTE 2 - BASIS OF PRESENTATION

The accompanying interim condensed unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation are included. Operating results for the three and nine-month period ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. While management of the Company believes the disclosures presented herein are adequate and not misleading, these interim condensed consolidated financial statements should be read in conjunction with the audited condensed consolidated financial statements and the footnotes thereto for the fiscal year ended December 31, 2016 as filed with the Securities and Exchange Commission as an exhibit to our Annual Report on Form 10-K.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in the consolidated condensed financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements; accordingly, actual results could differ from these estimates.

These estimates and assumptions also affect the reported amounts of revenues, costs and expenses and valuations of long term assets, deferred tax assets and equity instruments issued for services during the reporting period. Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates.

Impairment of Long-Lived Assets

The Company had goodwill and intangible assets with a carrying value of $6,212,193 and $6,507,505, respectively, as of September 30, 2017 and December 31, 2016. In accordance with ASC Topic 350 – Goodwill and Other Intangible Assets, the Company assesses the carrying value of such intangible assets for impairment on a periodic basis and records an impairment charge if the carrying value of such intangible assets exceeds the estimated fair value of the reporting unit, which in this case is the Company. The Company performed its annual goodwill impairment test as of December 31, 2016, which did not indicate the existence of an impairment at that time. While the fiscal year-to-date financial performance have not met our expectations, and the enterprise value of the Company based on the current price of our common stock may fluctuate at or near the recorded levels of goodwill and indefinite-lived intangible assets, Management does not consider these results to be a triggering event requiring the performance of an interim goodwill impairment test. The Company will continue to monitor its operating results for indicators of impairment and perform additional tests as necessary. The Company's fiscal 2017 annual impairment test will be performed as of December 31, 2017, which could result in an impairment charge to goodwill depending on the Company’s finalized forecast for fiscal 2018 and other market conditions.

Customer Concentration

Gross sales prior to reduction for vendor funded discounts and coupons to GNC during the period ended September 30, 2017 and 2016 were $15,569,430 and $20,696,007, respectively, representing 81.0% and 82.5% of total revenue, respectively. Accounts receivable attributable to GNC as of September 30, 2017 and September 30, 2016 were $2,679,885 and $3,201,464, respectively, representing 77.7% and 79.4% of the Company's total accounts receivable balance, respectively.

Share Based Payment

The Company issues stock options, warrants and common stock as share-based compensation to employees and non-employees. The Company accounts for its share-based compensation to employees in accordance with FASB ASC718 "Compensation - Stock Compensation." Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period.

The Company accounts for share-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505-50 "Equity - Based Payment to Non-Employees." Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The final fair value of the share-based payment transaction is determined at the performance completion date. For interim periods, the fair value is estimated and the percentage of completion is applied to that estimate to determine the cumulative expense recorded.

The Company values stock compensation based on the market price on the measurement date. For employees this is the date of grant, and for non-employees, this is the date of performance completion. The Company values stock options and warrants using the Black-Scholes option pricing model.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive revenue recognition standard that will supersede nearly all existing revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. Under ASU 2014-09, revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB has recently issued ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, ASU 2016-20, and ASU 2017-05, all of which clarify certain implementation guidance within ASU 2014-09. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted only in annual reporting periods beginning after December 15, 2016, including interim periods therein. The standard can be adopted either retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). The Company is currently in the process of analyzing the information necessary to determine the impact of adopting this new guidance on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued ASU No. 2016-02, Leases. This update will require the recognition of a right-of-use asset and a corresponding lease liability, initially measured at the present value of the lease payments, for all leases with terms longer than 12 months. For operating leases, the asset and liability will be expensed over the lease term on a straight-line basis, with all cash flows included in the operating section of the statement of cash flows. For finance leases, interest on the lease liability will be recognized separately from the amortization of the right-of-use asset in the statement of comprehensive income and the repayment of the principal portion of the lease liability will be classified as a financing activity while the interest component will be included in the operating section of the statement of cash flows. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018. Early adoption is permitted. Upon adoption, leases will be recognized and measured at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of the adoption of ASU 2016-02 on its financial statements and related disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 4 – INVENTORIES

The Company’s inventories as of September 30, 2017 and December 31, 2016 are as follows:

	September 30, 2017	December 31, 2016
Finished goods	$2,237,607	$3,069,531
Components	631,776	687,185
Total	$2,869,383	$3,756,716

NOTE 5 - PROPERTY AND EQUIPMENT

The Company’s fixed assets as of September 30, 2017 and December 31, 2016 are as follows:

	September 30, 2017	December 31, 2016
Equipment	$807,061	792,930
Accumulated depreciation	(661,151)	(621,926)
Total	$145,910	171,004

Depreciation expense for the nine months ended September 30, 2017 was $40,254 as compared to $60,003 for the nine-month period ended September 30, 2016. During the period ended September 30, 2017, the Company disposed an equipment with a cost of $6,174 and accumulated depreciation of $1,029 which resulted in a loss of $5,145.

NOTE 6 – NOTES PAYABLE

Notes payable consist of the following as of September 30, 2017 and December 31, 2016:

	September 30, 2017	December 31, 2016
Revolving line of credit of $3.0 million from U.S. Bank National Association ("U.S. Bank"), dated April 9, 2009, as amended July 15, 2010, May 25, 2011, August 22, 2012, April 29, 2013, May 22, 2014, June 25, 2014, May 15, 2015, August 15, 2016 and August 28, 2017, at an effective interest rate equal to the prime rate announced from time to time by U.S. Bank plus 0.50%. The line of credit matured on June 15, 2017; however, U.S. Bank extended the maturity date of the line of credit until December 15, 2017. The line of credit is secured by substantially all the assets of the Company. As a result of the August 28, 2017 amendment, the Company agreed to amended and additional loan covenants and certain additional terms. Advances to the Company under the line of credit are now based solely on 80% of the eligible receivables of the Company. The Company pays interest only on this line of credit. As disclosed in Note 11, the Company has received a notice of default from U.S. Bank resulting from a violation of a loan covenant set forth in the amended line of credit.	$1,950,000	$1,950,000
Term loan of $2,600,000 from US Bank, dated September 4, 2013, at a fixed interest rate of 3.6%. The term loan amortizes evenly on a monthly basis and matures August 15, 2018.	506,889	914,002
Notes payable for warehouse equipment	4,131	12,700
Total of notes payable and advances	2,461,021	2,876,703
Less current portion	(2,461,021)	(2,507,526)
Long-term portion	$-	$369,177

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The U.S. Bank revolving line of credit and term loan are subject to certain financial covenants for which the Company was not in compliance at September 30, 2017 (see Note 11).

The Company is currently in violation of a loan covenant set forth in the Company's revolving line of credit of $3.0 million from U.S. Bank as modified by that certain loan modification agreement dated August 28, 2017, of which approximately $1.95 million is due and owing as of September 30, 2017. On October 27, 2017, the Company received a notice of default from U.S. Bank related to the line of credit and term loan. The maturity date of the line of credit is currently December 15, 2017, and the Company currently does not anticipate that such line of credit will be extended or renewed. Although no assurances can be given, management is currently negotiating with alternative lenders to replace the line of credit and term loan currently with U.S. Bank. In the event the Company is unable to enter into a loan agreement with an alternate lender prior to December 15, 2017, the Company's financial condition will be negatively affected, and such affect will be material.

NOTE 7 - NET INCOME / (LOSS) PER SHARE

Basic net income per share is calculated by dividing the net income attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share also includes the weighted average number of outstanding warrants and options in the denominator. In the event of a loss, the diluted loss per share is the same as basic loss per share. Because of the net loss, the weighted average number of diluted shares of common stock outstanding for the three and nine months ended September 30, 2017 did not include 60,620 shares of common stock issuable upon the exercise of outstanding common stock purchase warrants, and 893,361 shares of common stock issuable upon the exercise of outstanding options to purchase common stock due to its anti-dilutive effect. The following table represents the computation of basic and diluted income and (losses) per share for the three and nine months ended September 30, 2017 and 2016.

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Income / (Losses) available for common shareholders	$(511,384)	$(360,718)	$(1,395,833)	$1,532,472
Basic weighted average common shares outstanding	10,537,805	10,446,954	10,488,135	10,413,703
Basic income / (loss) per share	$(0.05)	$(0.03)	$(0.13)	$0.15
Diluted weighted average common shares outstanding	10,537,805	10,446,954	10,488,135	11,515,169
Diluted income / (loss) per share	$(0.05)	$(0.03)	$(0.13)	$0.13

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NOTE 8 - EQUITY

Common Stock

The Company is authorized to issue 150.0 million shares of common stock, $0.01 par value, of which 10,623,533 common shares were issued and outstanding as of September 30, 2017. During the period ended September 30, 2017, the Company issued 182,064 shares of common stock with a fair value of $82,001 to employees and directors for services rendered. The shares were valued at the respective date of issuance.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of Series A Convertible Preferred Stock, $0.01 par value, 1,000 shares of its 10% Cumulative Perpetual Series B Preferred Stock, $0.01 par value, and 500 shares of its Series C Convertible Preferred Stock, par value $0.01, none of which were issued and outstanding as of September 30, 2017.

Options

As of September 30, 2017, options to purchase 877,725 shares of common stock of the Company were issued and outstanding, additional information about which is included in the following table.

Outstanding	Exercise Price	Issuance Date	Expiration Date	Vesting
50,000	$0.90	01/16/13	01/16/18	No
10,000	$1.00	03/04/13	03/04/18	No
217,614	$1.39	05/09/16	05/09/21	Yes
4,330	$1.44	09/29/15	09/29/25	No
40,000	$2.20	04/11/14	04/11/19	No
370,000	$2.30	02/23/15	02/23/20	No
93,503	$3.31	02/16/12	02/16/22	No
19,424	$4.62	05/13/15	05/13/25	Yes
4,330	$5.49	04/08/15	04/08/25	No
1,732	$5.81			